

AMENDED IN ASSEMBLY MARCH 24, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 378**

**Introduced by Assembly Member Steinberg**  
**(Coauthors: Assembly Members Chavez, Mullin, Pavley, and**  
**Runner)**  
**(Coauthor: Senator Kuehl)**

February 14, 2003

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An act to amend Sections 17070.75 and 17070.77 of the Education Code, relating to school facilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 378, as amended, Steinberg. School facilities: maintenance.

Existing law requires the State Allocation Board to require a school district to make all necessary repairs, renewals, and replacements to ensure that a school facilities construction project funded under the Leroy F. Greene School Facilities Act of 1998 is at all times kept in good repair, working order, and condition. Existing law requires all costs incurred for those purposes to be borne by the school district.

Existing law requires the board to ensure compliance with that requirement by requiring an applicant school district to establish an account and agree to deposit into the account, in each fiscal year for 20 years after receipt of funds under the act, a minimum amount equal to or greater than 3% of the applicant school district's total general fund expenditures, including other financing uses, for that fiscal year, prior to the approval of a project.

This bill would, instead, require the school district to deposit into the account in each fiscal year for 20 years after the receipt of funds under the act, ~~an amount no less than the total state and school district amount required to be contributed for deferred maintenance plus 2 1/2%~~ 3% of the total expenditures by a district from its general fund for that fiscal year. The bill would specify that the total expenditures by a school district from its general fund do not include expenditures from restricted accounts within the general fund, unless the funds in those restricted accounts may be used for capital expenditures and do not include the amounts expended from the account.

Existing law requires a school district to certify that it has publicly approved an ongoing and major maintenance plan that outlines the use of the funds deposited, or to be deposited in the account. Existing law defines major maintenance, for these purposes to mean all actions necessary to keep roofing, siding, painting, floor and window coverings, fixtures, cabinets, heating and cooling systems, landscaping, fences, and other items designated by the governing board of the school district in good repair.

This bill would revise that definition to mean repair and all costs of maintaining the facility, grounds, and equipment associated with each school *district* site in working order.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: ~~yes~~ no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17070.75 of the Education Code is
- 2 amended to read:
- 3 17070.75. (a) The board shall require the school district to
- 4 make all necessary repairs, renewals, and replacements to ensure
- 5 that a project is at all times kept in good repair, working order, and
- 6 condition. All costs incurred for this purpose shall be borne by the
- 7 school district.
- 8 (b) In order to ensure compliance with subdivision (a) and to
- 9 encourage school districts to maintain all buildings under their
- 10 control, the board shall require an applicant school district to do
- 11 all of the following prior to the approval of a project:

(1) Establish a restricted account within the school district's general fund for the exclusive purpose of providing moneys for ongoing and major maintenance of school buildings, according the highest priority to funding for the purposes set forth in subdivision (a).

(2) Agree to deposit into the account established pursuant to paragraph (1) in each fiscal year for 20 years after the receipt of funds under this chapter, an amount no less than ~~the total state and school district amount required to be contributed for deferred maintenance plus an amount equal to 2 1/2~~ 3 percent of the total expenditures by a district from its general fund for that fiscal year. For purposes of this subdivision, the total expenditures by a school district from its general fund do not include expenditures from restricted accounts within the general fund, unless the funds in those restricted accounts may be used for capital expenditures and do not include the amounts expended from the account established pursuant to this section. The expenditure by a school district of any apportionments from the state for instances of extreme hardship pursuant to Section 17587 are not within the total expenditures by a school district from its general fund and may not be credited as deposits in the account established by this section. Annual deposits to the fund established pursuant to paragraph (1) in excess of 2 1/2 percent of the district general fund budget may count towards the district's matching funds requirement necessary to receive apportionments from the State School Deferred Maintenance Fund pursuant to Section 17584 to the extent that funds are used for purposes that qualify for funding under that section. In addition, any district contribution to this fund may be provided in lieu of meeting the ongoing maintenance requirements pursuant to Section 17014 to the extent the funds are used for purposes established in that section. A school district that serves as the administrative unit for a special education local plan area may elect to exclude from its total general fund expenditures, for purposes of this paragraph, the distribution of revenues that are passed through to participating members of the special education local plan area. This paragraph is applicable only to the following school districts:

(A) High school districts with an average daily attendance greater than 300 pupils.

1 (B) Elementary school districts with an average daily  
2 attendance greater than 900 pupils.

3 (C) Unified school districts with an average daily attendance  
4 greater than 1,200 pupils.

5 (3) Certify that it has publicly approved an ongoing and major  
6 maintenance plan that outlines the use of the funds deposited, or  
7 to be deposited, pursuant to paragraph (2). The plan may provide  
8 that the district need not expend all of its annual allocation for  
9 ongoing and major maintenance in the year in which it is deposited  
10 if the cost of major maintenance requires that the allocation be  
11 carried over into another fiscal year. However, any state funds  
12 carried over into a subsequent year shall not be counted toward the  
13 annual minimum contribution by the district. A plan developed in  
14 compliance with this section shall be deemed to meet the  
15 requirements of Section 17585.

16 (c) A district to which paragraph (2) of subdivision (b) does not  
17 apply shall certify to the board that it can reasonably maintain its  
18 facilities with a lesser level of maintenance.

19 SEC. 2. Section 17070.77 of the Education Code is amended  
20 to read:

21 17070.77. (a) For each project funded after January 1, 2002,  
22 the board shall require the applicant school district governing  
23 board to certify, as part of the school district's annual budget  
24 process and beginning in the fiscal year in which the project is  
25 funded by the state, that it is in compliance with the plan adopted  
26 pursuant to paragraph (3) of subdivision (b) of Section 17070.75  
27 for completing major maintenance requirements for the project.

28 (b) For purposes of this chapter, the term "major maintenance"  
29 means repair and all costs of maintaining the facility, grounds, and  
30 equipment associated with each school *district* site in working  
31 order.

32 (c) The board shall require the school district's governing  
33 board to certify that the plan includes and is being implemented  
34 with all of the following components:

35 (1) Identification of the major maintenance needs for the  
36 project.

37 (2) Specification of a schedule for completing the major  
38 maintenance.

39 (3) Specification of a current cost estimate for the scheduled  
40 major maintenance needs.

1 (4) Specification of the school district's schedule for funding  
2 a reserve to pay for the scheduled major maintenance needs.

3 (5) Review of the plan annually, as a part of the school district's  
4 annual budget process, and update, as needed, the major  
5 maintenance needs, the estimates of expected costs, and any  
6 adjustments in funding the reserve.

7 (6) Availability for public inspection of the original plan, and  
8 all updated versions of the plan, at the office of the superintendent  
9 of the school district during the working hours of the school  
10 district.

11 (7) Provision in the school district's annual budget for the  
12 reserve that contains the total funding available for scheduled  
13 major maintenance needs as specified in the updated plan, and an  
14 explanation if this amount of the reserve is less than that specified  
15 in the updated plan.

16 SEC. 3. This act is an urgency statute necessary for the  
17 immediate preservation of the public peace, health, or safety  
18 within the meaning of Article IV of the Constitution and shall go  
19 into immediate effect. The facts constituting the necessity are:

20 In order to permit school districts to alleviate the fiscal  
21 constraints on the use of general funds not needed to maintain  
22 school district facilities, it is necessary that this act go into  
23 immediate effect.

